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ABSTRACT

The management by objectives (MBO) and management by objectives and results (MOR) processes place emphasis upon predicting and influencing the future, improving both individual and organizational effectiveness, and stress the active involvement and participation of managers, supervisors, and employees at every organizational level. There are eight steps involved in MBO/MOR and these can be applicable to community college management: (1) defining roles and missions at every level and functional unit; (2) determining key results in areas of priorities, policies, staff development and innovation; (3) identifying and specifying indicators of effectiveness in key result areas; (4) selecting and setting objectives for specific areas; (5) preparing action plans; (6) establishing controls and a feedback system; (7) determining communication methods; and (8) implementation. Limitations to the MBO/MOR approach in educational environments include a two- to five-year implementation period, continual personnel education and training, defining objectives in quantifiable terms, and the lack of a direct employee appraisal system. Benefits include an increase in awareness and commitment to organizational goals, improved planning, increased understanding of job expectations, better data for performance appraisal, and improved performance and communication. (LH)

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POSSIBLE APPLICATIONS OF MANAGEMENT BY OBJECTIVES TO THE COMMUNITY COLLEGE

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POSSIBLE APPLICATIONS OF MBO TO THE COMMUNITY COLLEGE

Understanding of school management and operation is essential. However, this general topic or one of its subdivisions, such as managerial efficiency, is too large for the present study. So the writer has focused on one of the most interesting approaches to management planning in recent years: the management by objectives (MBO) and management by objectives and results (MOR) programs. MBO appears to be an important management philosophy and system that has become increasingly popular in the public sector as well as in the private sector of our economy. Diverse organizations have adopted and MBO concept to improve managerial decision-making. Understanding of the general concepts of MBO is not only one of the major concerns in finance, but has important implications in any area of school management and operation.

Therefore, the purpose of this paper is two-fold: to give an overview of what MBO is and to investigate, and question, its application to the non-profit making educational system. Some areas of concern within the community college will be highlighted in testing the eight basic steps.

To begin with, one of the definitions of management is "the effective use of limited resources to achieve desired results." (6:5) This definition certainly fits well into the educational setting at present. Limited resources, if present trends continue, seem a certainty. In other words, how do we make the most of less? One of the approaches that might be tried is to "replace entrenched managerial traditions and launch new systems for management." (6:ix-x) The principles of successful management are no less important to education than they are to business and industry. Possibly one of the keys to educational survival may be good long-range planning which means setting manageable goals.

Investigating the implications of MBO/MOR as applied to the community

college must involve faculty, staff and administration in setting objectives and participating in this system's approach to managing the organization. As a result of this year's collective bargaining agreement it appears that the faculty has contracted and, thus, required to become more involved in participatory management. Some of the examples used in the application of MBO to education have to do with the related duties section in this year's collective bargaining agreement. (1:10)

HISTORY OF MBO AND POSSIBLE APPLICATIONS

The concept of management by objectives was first introduced by Peter Drucker in the 1950's when he described the role of management as balancing a variety of needs and goals in areas where performance and results affected the survival and prosperity of the business. (4) George Odiorne followed up Drucker's discussion of this use in providing an introduction to the philosophy, methods, and process of management by objectives as he treats the MBO as a system in his work. (9)

As we look at MBO, we find that "management by objectives is a system of personal responsibility in which outputs (results) are the only claim upon the resources of the organization, and outputs (results) are the justification for approving, modifying or abandoning programs of action." (3:29)

What are the results or outputs we look for from the community college?

1. People who are qualified in entry level jobs.
2. People who are ready to continue their education either on the state college or university level.
3. People who wish to use the services of the community college for personal goals, not job related and not school or university related.

Management by objectives is a philosophy, a process, and a system. (10:11-12) It is a philosophy which places emphasis on trying to predict and influence the future.

Does this apply to education? Should the college influence the future, and if so how?

In the 1960's student protest led to a change in American foreign policy. College and university administrators, staff and faculty did not accept responsibility for change as did their clients, the students.

At present, our country has been faced with many major problems in the last decade. Three are: integration and racial harmony, ecology and pollution, and how oil and other fossil fuels effect the economy, the planet and individuals lives. The colleges have yet to assume the responsibility for leadership in solving any of these problems. But industry hasn't assumed any of these responsibilities either — only making a better product and selling more of them. A criticism of MBO's social responsibility might be interjected at this point, specifically in the areas of ecology, pollution and fuels. The MBO system claims it should influence the future.

So, the following questions remain undecided:

1. How much responsibility for influencing the future is within the domain of college and university personnel?

2. Should the college assume the responsibility for leadership in solving any of these problems?

3. If education doesn't want to influence or assume leadership in the future, how will educators recognize and deal with the implications of their inaction more effectively?

MBO is not only a philosophy, it is results oriented — focusing on change and improving both individual and organizational effectiveness. This philosophy is also basically a belief in participatory management that places emphasis on active involvement and participation of managers, supervisors, and employees at every level in the organization. (10:12) It is a system of management designed to facilitate planning and organizational control, organizing and assigning tasks, problem-solving, and decision-making as well as other important functions. (7:11-12)

In viewing the MBO/MOR process, management by objectives and results is a further refinement that incorporates a "closed loop approach to ensure that the results achieved do in fact resemble the objectives that were set." (8:2) The MOR process as explained by Morrisey includes eight important steps that are necessary for organizations to be effective in establishing and implementing meaningful management actions. (8:226-232) This process promotes understanding, commitment, and involvement.

DEFINITION OF EIGHT MBO STEPS AND EDUCATIONAL IMPLICATIONS

The first essential step in the MBO process is defining roles and missions, and determining the nature and scope of work to be performed. This defining of roles should be done at every level and functional unit within the organization after first identifying the missions and roles of the organization. This step will require considerable participation from managers, supervisors, and employees in the various functional units within the organization. Objectives might include new policy initiatives, major operational achievements, and improvements that could be made in current programs based on trends. Here some objectives could be designed to identify opportunities for resource saving.

The role and mission of the community college in California is defined by the state legislature. The University of California admits the top 12.5% of the high school graduates who have met entrance requirements, the California State University and College system admits the top 33.3% of the high school graduates who have met the entrance requirements, and the community college has the responsibility for all of the rest of the population of California with high school diplomas or without, if over the age of 18. Because the above is determined by the legislature, no committee work needs to be done.

The nature of the work is education and the scope is extremely broad. The scope of the work is determined by the needs and desires of the client. The client is that portion of the local population over 18 or with a high school diploma that chooses to make use of the community college.

Specifically, at West Los Angeles Community College today this client has an average age of 29. The community college students are 68% minority, 58% women, and 76% part-time enrollees. Of these students 10% have B.A.'s or more advanced degrees, whereas only 3.5% are between the A.A. and B.A. degree. In other words, the adult student formerly called the "non-traditional" is the majority. Seven years ago at West Los Angeles Community College the figures were quite different. The average age was 25. The community college students were 34% minority, 46% women, and 58% part-time enrollees.

As the role of the community college is determined by the legislature as one of providing educational services for the client, it would seem necessary for researchers to keep the college community aware of the changing nature and needs of the client in order to update its programs.

The second step in the MOR process is <u>determining key results</u> areas, and it is particularly helpful because it determines where to invest time, energy, and talent. Key results areas common to all managers are staff development, staff morale, organizational relationships, social responsibilities, and anticipation/innovation. Some key results areas common to most managers include operational planning, operating results, cost control, funding management, legislative relations, public relations, client/user contact, and contract negotiations. (8:48)

<u>Determining key results areas</u> in education has to do with priorities, policies, staff development, and innovations in each one of the dean's areas

in the educational system.

For example, in the four areas which comprise student personnel —

Admissions and Records

Counseling

Student Affairs

Student Services

— what needs to be changed to accommodate student-clients who are over 29 years of age, women, minorities, part-time enrollees? What are some non-traditional activities that would appeal to people in these categories? Is the "non-traditional" student the traditional student now? What present activities could be curtailed or eliminated as a result of the changing composition of the student body?

These are the kinds of questions that need to be asked in order to determine policies and priorities so as to save time and energy and focus talent.

The third step of the MOR process is to identify and specify indicators of effectiveness. This involves identifying measurable factors in each key results area on which it would be worthwhile to set objectives. This may be the most difficult step in the entire process, but it enables administrators to examine several alternatives and select those that will provide the greatest meaning in terms of objectives that should be set. (8:63)

They may represent hard numbers such as output per work-hour, or include problems to be overcome, or cover subjective areas as turnover, or absenteeism of personnel in establishing indicators of effectiveness. This step may be the most important step in opening up practical new ideas for increasing effectiveness.

Should colleges identify specific indicators of effectiveness through

the use of "hard numbers," "soft numbers" or other means?

Hard numbers

Why does West Los Angeles Community College have a 45% turnover of students each semester? What is the turnover rate for students whose age is over 29? Are there any studies which show that high turnover rate is an indicator of ineffectiveness? In other words, could these students have come to the college and had their needs met effectively within one semester?

Soft numbers

An indicator of the department chairperson's effectiveness in planning would be the size of enrollment in classes new to the curriculum. That is, the chairperson would have an indication as to whether he or she had taken into account the nature of the changing student body.

Other approaches

Outside of hard numbers in regards to turnover and soft numbers in regards to enrollment, indicators of effectiveness for colleges may well prove to be subjective. Morrisey has suggested the use of brainstorming by managers in industry to obtain indicators. This would suggest on the college level the use of brainstorming by college presidents and deans, deans and their classified staffs, deans and department heads, department heads and faculty members. Some topics appropriate to these brainstorming meetings might be curriculum planning and staff development.

One major tool in determining effectiveness — which has often been overlooked — is the student evaluation now required by the collective bargaining agreement. A hard look at these student evaluations would give a clear indication of instructor and counselor effectiveness. Correlation of GPA with evaluations would provide a clue to groups within the student body who are either "failing," being ignored or being ineffectively dealt

with.

Two new procedures for evaluation mandated by the collective bargaining agreement are the peer evaluation in which faculty members evaluate each other and the self evaluation. The ways in which these evaluations will be used to judge a college's effectiveness has yet to be determined. These new procedures could, of course, prove divisive and lower staff morale. It will be a challenge to use them properly. (1:83-106)

Selecting and setting objectives is the fourth step. This includes determining the specific measurable results, target dates or time spans, and related costs one wishes to set for the projected measurement period.

Important in this step is the opportunity to change, add or delete objectives as well as commitment, participation, and involvement on all levels between managers and subordinates. (9:20-35)

It is important to note that setting of objectives is different than determining missions. Missions refer to a college wide process, objectives refer to small groups and can be used independently of other MBO procedures. Setting objectives has been widely used and perhaps inappropriately so because it means people are looking for specific results in one area before assessing the total picture. It is probably the reason many people misunderstand MBO.

George Morrisey gives the following example of the proper procedure of setting objectives on the college level.

Original. Improve Basic Skills effectiveness in our school.

Comments. What is "effectiveness"? How will you know when you get there?

Revised. To improve student performance in Basic Skills by a minimum of 10%, as measured by standard tests, by May 31 at a direct cost not to exceed 150 work-hours and $1,000. (8:99)

Here is a possible approach to the use of MBO procedure in setting specific objectives for implementing the new collective bargaining agreement.

Original. Implementing the "related duties" section of the collective bargaining agreement.

Comments. State this in terms relating to measurable behavioral objectives.

Revised. To implement faculty performance of "related duties" for 5-10 hours per week by July 1, 1978 as specified in the collective bargaining agreement.

In using the above formula we must keep in mind the question whether these objectives really relate to the philosophical goals of the college or are these objectives irrelevant to our purpose?

Preparing action plans is the fifth step in the MBO process. The core of the process is the objective and the plans are defined, communicated, and accepted. Milestones need to be suggested as well as setting target dates for accomplishing the objective. Monitors also need to be selected to be responsible for the tracking and completing of the objectives. Monthly briefing or quarterly conferences for example should be set up.

The action plan incorporates five substeps as follows: programming — establishing a sequence of actions to follow in reaching objectives, scheduling — establishing time requirements for objectives and action step, budgeting — determining and assigning the resources required to reach objectives, fixing accountability — determining who will see to the accomplishment of objectives and action steps, reviewing and reconciling — testing and revising a tentative plan as needed, prior to commitment to action. (8:105)

In continuing to develop implementation of the "related duties" section of the collective bargaining agreement the following action plan would apply.

Programming — To disseminate the information copies of the agreement should be made available to all staff members. A date, perhaps of April 1, 1978, should be set for faculty submission of preferences of related duties.

Specific meetings should be scheduled to deal with overlap and areas unchosen. Faculty members should meet and confer in small groups based on duties chosen. Chairpersons should be selected and work schedules established.

Scheduling — All the above actions have to be completed by July 1, 1978.

Budgeting — No extra monies are involved. In fact, ideally this should lead to equalizing and improving faculty output at no extra cost.

Fixing Accountability — The faculty member chosen as chairperson of each committee will report to the dean of instruction or the dean of student personnel, as appropriate.

Reviewing and Reconciling — Between 1 July, 1978 and 1 July, 1979 periodic meetings of committee and committee chairpersons with the president will review the above process.

The sixth step in the MOR process is establishing controls. This involves determining what is to be measured, what point of measurement constitutes effective performance, probable causes of variance requiring corrective action, selecting the instruments of measurement, and determining the appropriate type of corrective action. This control or feedback system is a way in which the individual or group that is doing the job receives information in a form and at a time that allows it to be used to evaluate performance against standards and to take appropriate action. (2:203) This will take an ongoing activity of involvement by managers, administrators, and employees to continually evaluate and bring constructive actions to see that the objectives are being accomplished in a meaningful manner. (8:144-169)

The area of control in regards to the collective bargaining agreement

is very involved. The parties to the agreement were the Los Angeles Community College District Board of Trustees and the American Federation of Teachers-College Guild, Local 1521, AFT/AFL-CIO. The normal procedure is for the Board of Trustees to delegate responsibilities through the Chancellor to the president and the deans. What is the role of the AFT and the local college AFT representative in enforcing the agreement with his or her colleagues? Should the AFT representative hold AFT meetings to explain and discuss duties to faculty. That is, does the AFT have any role in management?

It is obvious that the role of faculty members may be in a process of change working out procedures to implement the collective bargaining agreement for some time.

Communication is the seventh step in the process of management by objectives and results and involves finding and selecting the communications methods to be used in analyzing MOR to the organization.

Communication in the college is an on going process. It involves the president's bulletin and the student bulletin for a weekly schedule of events, it involves Faculty Senate meetings and it involves AFT meetings and minutes. Most Board of Trustees meetings are open and attended by the AFT members as well.

Published minutes are really not enough and a series of meetings up and down the hierarchy may provide a feeling of commitment rather than merely of compliance and certainly falls within the area of staff development.

If faculty members see possibilities of choices in their "related duties" they may be more creative.

Meeting with faculty members other than those of one's own academic department may bring cross fertilization of ideas, more creative responses,

and broaden understanding of the total college program. Poorly planned meetings and badly written communications can result in negative attitudes, lack of action and staff demoralization.

The final step is implementing MOR. This being with the level of commitment of key decision-makers in the organization with the employment of one or more of a variety of implementation approaches noted by Morrisey. (8:188-211)

If college presidents and their deans wish to use MBO techniques they must first be committed to the process for improvement. Realizing some of the negative side effects, they should avoid using the MBO system as a punishment system and try to emphasize it as a team approach to problem solving.

In conclusion, there are some limitations to the MBO/MOR approach that must be recognized. First, various scholars and consultants in the field estimate that it takes from two to five years to fully implement the MOR process in a reasonably large organization. Second, it will necessitate more paperwork to set and record objectives. Third, continual education and training of personnel at every level within the organization is vital. Fourth, it will be a challenge to define objectives in quantifiable terms, and at times overlapping objectives will be difficult to avoid. Additionally, the system does not directly appraise or identify the potential in employees. This process also assumes that the supervisor and subordinates will jointly set objectives to help the organization, and much of the burden for success will be on the supervisors in each department to assess the results toward accomplishing objectives rather than just looking at activities of individuals. Strong and effective coaching, counseling, and employee development will greatly assist acceptance of this program. However,

assuming these barriers may be overcome, there are numerous benefits of the MOR to the educational environment.

MOR will provide an effective method of defining results expected of administrators and will require management development for each employee. Through feedback from performance review sessions, it will pinpoint areas of accountability for objectives and decentralize decision-making, thus forcing delegation of authority and responsibilities. Additionally, the MOR management system provides a reliable means of judging the performance of administrators, helps to motivate and reward them, and will improve the flow of information up, down, and across the educational institution.

The program will also increase awareness and commitment to organizational goals, improve planning, result in better understanding of job expectations, provide better data for performance appraisal, and improve performance and communication. (10:168-172) At this critical time when the educational system is being asked to accomplish more with less, the effective implementation of MOR would be a most effective management process, philosophy, and system to accomplish this difficult task.

Management by objectives will not be easy to adapt to the educational environment, where objectives are many and outcomes are very difficult to identify and measure. Yet its many advantages far outweigh the problems associated with its implementation. (5:56)

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